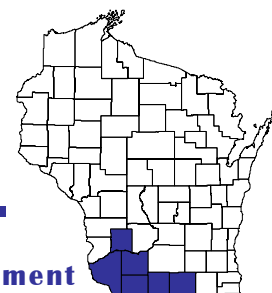


WORKFORCE OBSERVATIONS

for the Southwest Wisconsin counties
Grant, Green, Iowa, Lafayette, Richland and Rock



published quarterly by the Office of Economic Advisors,
Wisconsin Department of Workforce Development

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In this issue:

- > Overall, Rock County annual unemployment rates under historical averages
- > Nationally and in the Midwest region, wages fail to keep pace with inflation in 2005 (pg 2)
- > Industry and Unemployment estimates for 2005 will be revised before the next *Workforce Observations* release.

Notes:

For the purposes of this publication, historical unemployment rates are a 14 year (1990-2004) average

Madison MSA data has been included in this publication (pg 3) because neither the US DOL nor Wisconsin DWD produces monthly NFWS INDUSTRY estimates for Iowa County separate from the rest of the Madison MSA.

Monthly and annual industry employment estimates for Iowa County are available from the CEW (ES-202) data collection series. Data from the CEW series lags current data by about six months.

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Annual Numbers in Southwest

Despite unusually high sharp spikes in January and July, eight months of 2005 saw Rock County unemployment rate estimates below their typical levels and one month (November) almost exactly at its typical level. For every month of 2005, the total (all-industries) employment estimate was above its year-ago level. The margin of over-the-year gain was 1,300 jobs or 2.0 percent in January 2005 and 3,100 jobs or 4.1 percent in December 2005, which might suggest a recovery gaining momentum.

Apart from an anomalous spike in February and an anomalous dip in July, manufacturing employment estimates appear to be following year-ago trends fairly closely. The retail trade employment estimate rose more gently in the summer of 2005 than in the summer of 2004. The November-December holiday season did not boost the retail trade employment estimate as much in 2005 as it had in 2004. The professional & business services employment estimate was far flatter in 2005 than it had been in 2004, indicating slower growth. For the first three quarters of 2005, the education & health services employment estimate appeared to be following trends similar to those of 2004, but its fourth quarter was markedly stronger in 2005 than it had been in 2004. The leisure & hospitality employment estimate was well below its year-ago levels in the summer of 2005, but its fourth quarter slowdown in was less pronounced 2005 than it had been in 2004, so by December it managed to match year-ago levels. (Zero growth is more encouraging than the over-the-year deficit of 400 jobs or 6 percent in August.)

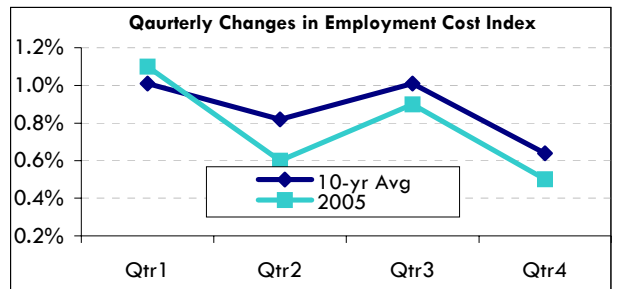
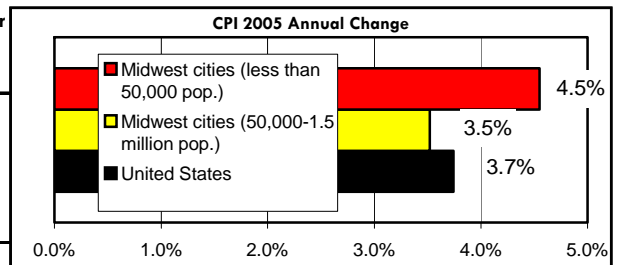
In 2005, Grant County's monthly unemployment rates were below their typical levels in every month, but they were further below typical in the first half of the year than in the second half of the year. (See table on page 2.) In addition, Grant County rates in 2005 were below the corresponding monthly rate for 2004 in 9 of 12 months. The average annual labor force shrank by 769 workers in Grant, likely the result of the graying of the baby boomer generation. In addition, some workers have been leaving the work force entirely after not being able to find a job needing their skills.

An entirely different story in Green County, where 2005 unemployment rates were above the typical marks for the county every month of the year. Furthermore, 2005 monthly rates were lower than 2004 rates in just 5 of 12 months, all in the first half of the year. The last 6 months of 2005 were especially hard on Green County unemployment rates, as compared to historical norms. November and December 2005 were 0.4 and 0.6 percentage points above their 2004 levels, respectively. The annual average unemployment rate for Green County was unchanged in 2005, at 4.5 percent. Green County's labor force declined by about 200 in 2005, as compared to 2004.

WORKFORCE OBSERVATIONS BY THE OFFICE OF ECONOMIC ADVISORS

Consumer Price Index (CPI) - All items (not seasonally adjusted)	Change over previous quarter				over yr
	Qtr 1 2005	Qtr 2 2005	Qtr 3 2005	Qtr 4 2005	Qtr 4 2004
United States	0.6%	1.3%	1.2%	0.5%	3.7%
Midwest cities (50,000-1.5 million pop.)	0.5%	1.2%	1.6%	0.2%	3.5%
Midwest cities (less than 50,000 pop.)	1.0%	1.5%	1.7%	0.3%	4.5%
Employment Cost Index (not seasonally adjusted)					
Civilian total compensation	1.1%	0.6%	0.9%	0.5%	3.1%
Private industry total compensation	1.1%	0.7%	0.6%	0.4%	3.0%
Local & state govt. total compensation	0.9%	0.3%	1.8%	1.0%	3.7%
Civilian wages	0.7%	0.5%	0.8%	0.6%	2.3%
Private wages	0.7%	0.6%	0.7%	0.5%	2.2%
Local & state government wages	0.6%	0.2%	1.3%	0.9%	2.7%
Civilian benefits	2.2%	0.7%	1.1%	0.4%	5.1%
Private industry benefits	2.3%	0.8%	0.7%	0.2%	4.8%
Local & state government benefits	1.4%	0.5%	3.0%	1.1%	6.1%

Source: US Bureau of Labor Statistics



2005 (Unadjusted)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Ann Avg
City of Janesville	11.7%	5.9%	5.5%	5.3%	5.2%	5.3%	10.9%	5.2%	5.1%	4.6%	5.0%	5.1%	6.3%
City of Beloit	10.3%	8.6%	8.1%	7.6%	7.2%	7.6%	9.2%	7.1%	6.4%	6.6%	7.0%	7.0%	7.7%

Southwest Wisconsin Unemployment Rates: Typical and Actual (not seasonally adjusted)

		Dec 2004	Jan 2005	Feb 2005	Mar 2005	Apr 2005	May 2005	Jun 2005	Jul 2005	Aug 2005	Sep 2005	Oct 2005	Nov 2005	Dec 2005
Grant County	Actual	3.7%	5.2%	5.8%	5.4%	4.2%	4.0%	4.5%	3.9%	3.8%	3.4%	3.1%	3.6%	4.1%
	Typical	4.2%	5.8%	6.1%	6.0%	4.9%	4.1%	5.0%	4.5%	4.5%	3.7%	3.6%	3.8%	4.2%
	Difference	- 0.5%	- 0.6%	- 0.3%	- 0.6%	- 0.7%	- 0.1%	- 0.5%	- 0.6%	- 0.7%	- 0.3%	- 0.5%	- 0.2%	- 0.1%
Green County	Actual	3.5%	5.9%	5.9%	5.5%	4.5%	4.3%	4.6%	4.6%	4.1%	3.8%	3.5%	3.7%	4.1%
	Typical	2.7%	4.7%	5.3%	5.3%	4.5%	4.1%	4.5%	4.3%	3.5%	3.1%	3.0%	2.8%	2.7%
	Difference	0.8%	1.2%	0.6%	0.2%	0.0%	0.2%	0.1%	0.3%	0.6%	0.7%	0.5%	0.9%	1.4%
Iowa County	Actual	3.7%	5.1%	6.0%	5.7%	4.0%	4.0%	3.8%	3.3%	3.3%	3.4%	2.9%	3.5%	4.5%
	Typical	3.5%	5.6%	6.4%	6.2%	4.1%	3.2%	3.4%	3.0%	2.8%	2.6%	2.5%	2.8%	3.5%
	Difference	0.2%	- 0.5%	- 0.4%	- 0.5%	- 0.1%	0.8%	0.4%	0.3%	0.5%	0.8%	0.4%	0.7%	1.0%
Lafayette County	Actual	3.3%	5.1%	5.9%	5.6%	4.0%	4.0%	4.4%	3.8%	3.5%	3.4%	3.2%	3.6%	4.0%
	Typical	3.4%	5.0%	5.6%	5.5%	4.5%	3.6%	4.5%	4.0%	3.8%	3.2%	3.2%	3.3%	3.4%
	Difference	- 0.1%	0.1%	0.3%	0.1%	- 0.5%	0.4%	- 0.1%	- 0.2%	- 0.3%	0.2%	0.0%	0.3%	0.6%
Richland County	Actual	3.6%	4.8%	5.6%	5.3%	4.8%	3.9%	4.0%	3.6%	3.4%	3.4%	3.2%	3.9%	4.5%
	Typical	4.4%	5.6%	6.4%	6.2%	4.5%	3.7%	4.3%	3.9%	3.6%	3.5%	3.4%	3.9%	4.4%
	Difference	- 0.8%	- 0.8%	- 0.8%	- 0.9%	0.3%	0.2%	- 0.3%	- 0.3%	- 0.2%	- 0.1%	- 0.2%	0.0%	0.1%
Rock County	Actual	4.9%	9.3%	6.0%	5.6%	5.1%	4.9%	5.2%	8.5%	4.9%	4.7%	4.4%	4.8%	4.9%
	Typical	4.4%	6.3%	6.4%	6.1%	5.3%	5.4%	6.0%	6.9%	5.4%	5.0%	5.0%	4.8%	4.4%
	Difference	0.5%	3.0%	- 0.4%	- 0.5%	- 0.2%	- 0.5%	- 0.8%	1.6%	- 0.5%	- 0.3%	- 0.6%	0.0%	0.5%

** Includes labor force participants residing in area. Estimates are **NOT** seasonally adjusted. Current month estimates are preliminary and subject to revision. Numbers 2,000 and greater are rounded to nearest 100. Numbers under 2,000 are rounded to nearest 10. Sub-units may not add to totals due to rounding. Calculations are based on unrounded numbers. Results are rounded. For more information call (608) 242-4885 or email dan.barroilhet@dwd.state.wi.us.

Southwest Wisconsin Employment-by-Industry Estimates - not seasonally adjusted

	Grant			Green		
	Oct-Dec 2005 average	Change from Oct-Dec 2004	Change from Oct-Dec 2004	Oct-Dec 2005 average	Change from Oct-Dec 2004	Change from Oct-Dec 2004
Total jobs, all industries*	18,700	- 260	- 1.4%	14,900	30	0.2%
Const., min'g & nat. resources	720	10	1.7%	650	40	5.8%
Manufacturing	2,600	- 100	- 3.9%	2,800	- 20	- 0.7%
Trade (w wholesale & retail)	2,800	150	5.5%	3,400	- 30	- 1.0%
Transport, Wrhsing, Utilities	460	0	0.0%	300	10	3.8%
Financial activities	1,000	60	6.4%	420	0	0.9%
Education & health services	2,600	60	2.2%	2,200	10	0.3%
Leisure & hospitality	1,530	- 30	- 1.8%	1,140	- 10	- 0.7%
Info, prof, bus. & other srvcs	2,200	- 10	- 0.3%	1,940	50	2.7%
Government	4,800	- 400	- 7.7%	1,980	- 20	- 1.0%
	Madison MSA <small>includes Columbia, Dane and Iowa counties</small>			Lafayette		
	Oct-Dec 2005 average	Change from Oct-Dec 2004	Change from Oct-Dec 2004	Oct-Dec 2005 average	Change from Oct-Dec 2004	Change from Oct-Dec 2004
Total jobs, all industries*	344,500	0	1.0%	3,400	- 60	- 1.6%
Const., min'g & nat. resources	16,000	- 700	- 4.2%	150	10	5.3%
Manufacturing	32,000	430	1.4%	460	- 10	- 1.5%
Trade (w wholesale & retail)	54,000	- 570	- 1.0%	730	40	6.1%
Transport, Wrhsing, Utilities	8,600	30	0.4%	210	0	- 0.5%
Financial activities	28,500	930	3.4%	160	0	- 2.9%
Education & health services	35,400	1,000	2.9%	230	10	3.8%
Leisure & hospitality	27,000	- 1,800	- 6.3%	270	30	11.0%
Info, prof, bus. & other srvcs	61,900	0	7.2%	250	- 20	- 6.9%
Government	81,100	0	0.0%	980	- 110	- 10.1%
	Richland			Rock		
	Oct-Dec 2005 average	Change from Oct-Dec 2004	Change from Oct-Dec 2004	Oct-Dec 2005 average	Change from Oct-Dec 2004	Change from Oct-Dec 2004
Total jobs, all industries*	6,300	10	0.2%	71,700	0	3.5%
Const., min'g & nat. resources	200	0	2.0%	3,300	- 30	- 1.0%
Manufacturing	1,810	- 10	- 0.7%	17,600	0	15.8%
Trade (w wholesale & retail)	1,120	- 10	- 0.6%	12,400	- 230	- 1.8%
Transport, Wrhsing, Utilities	150	0	0.4%	3,000	- 70	- 2.2%
Financial activities	180	- 10	- 3.8%	2,000	0	0.0%
Education & health services	810	50	6.6%	9,300	500	5.7%
Leisure & hospitality	460	- 10	- 2.5%	5,900	- 30	- 0.6%
Info, prof, bus. & other srvcs	450	20	4.0%	9,500	- 70	- 0.7%
Government	1,180	- 20	- 1.6%	8,700	- 70	- 0.8%

*Includes jobs with employers in area. Estimates are NOT seasonally adjusted. Current month estimates are preliminary and subject to revision.
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